

THIS SUPPLEMENTAL AGREEMENT, made and entered into this 5th day of June, 1953, by and between PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, Seller, and CALIFORNIA WATER SERVICE COMPANY, a California corporation, Buyer:

W I T N E S S E T H:

WHEREAS, under date of April 19, 1927, the parties hereto entered into a written agreement entitled "Oroville Water Contract" relating to the furnishing by Seller to Buyer of water for Buyer's Oroville water system; and

WHEREAS, said Oroville Water Contract provides that from and after May 1, 1952 Buyer will pay to Seller for water delivered "such price as may from time to time be established therefor by the Railroad Commission of the State of California," now the Public Utilities Commission of the State of California; and

WHEREAS, the parties desire to enter into an agreement to establish a price for all water supplied by Seller to Buyer in connection with the operation of Buyer's Oroville water system, subject, however, to the approval of said Public Utilities Commission and its continuing jurisdiction to regulate such price, and

WHEREAS, Seller represents that the price hereinafter set forth is based upon a reasonable allocation of costs of its Miocene Canal system by means of which Seller delivers water to Buyer;

NOW, THEREFORE, in consideration of the premises,  
the parties hereto mutually agree as follows:

1. Seller shall deliver to Buyer at the head of Buyer's Powers Canal at the location known as "Gauge BW-41" water at such rate of flow, measured at the point of delivery, as Buyer may request from time to time for the purposes of its Oroville system, not exceeding, however, a maximum delivery rate of 46.5 cubic feet per second. Buyer shall give Seller at least twenty-four hours' notice of any requested change in rate of delivery. Delivery requests may be made orally by Buyer to Seller at its Lime Saddle Power House and shall be confirmed in writing.

2. As full payment for all water delivered by Seller to Buyer from time to time pursuant to Buyer's request, Buyer shall pay to Seller the sum of Thirty-two Thousand Four Hundred Dollars (\$32,400) per annum, payable in monthly installments as follows:

One Thousand Nine Hundred Dollars  
(\$1,900) on or before the first  
day of the months of January,  
February, March, April, November  
and December;

Three Thousand Five Hundred Dollars  
(\$3,500) on or before the first day  
of the months of May, June, July,  
August, September and October.

3. It is understood that Seller may from time to time deliver and Buyer shall accept at Gauge BW-41 water at rates of flow in excess of those requested by Buyer, but total deliveries to Buyer by Seller shall not exceed 46.5 cubic feet per second.

4. Seller shall limit the variations in flows at Gauge BW-41 to those required by normal or emergency operating conditions of Seller's electric system and shall give Buyer advance notice of contemplated variations and prompt notice of variations caused by emergency conditions.

5. It is understood that nothing in this supplemental agreement shall be deemed to enlarge or diminish the obligations of Seller to deliver water to Buyer and that the sole purpose of this supplemental agreement is to determine the price to be paid for water under the specified conditions hereof. In particular, it is understood that Seller's obligation to deliver water at the rate requested by Buyer is subject to availability of water under Seller's existing obligations. To the extent that water is so available and subject to the provisions of paragraph 10 of said Oroville Water Contract relating to repair, Seller shall not reduce the rate of flow at Gauge BW-41 below the rate requested by Buyer without Buyer's written consent.

6. The price provided in paragraph 2 hereof shall become effective on such day hereafter as shall be fixed by the Public Utilities Commission.

7. This agreement shall be deemed supplementary to the above mentioned Oroville Water Contract as presently in effect. Nothing herein contained shall prevent either party hereto from making application to said Public Utilities Commission at any time or from time to time for alteration of the price for water provided herein and such price shall at all times be subject to such changes or modifications by

said Public Utilities Commission as it may from time to time direct in the exercise of its jurisdiction.

8. This agreement shall be presented to said Public Utilities Commission for its approval thereof and shall not become effective until said Public Utilities Commission shall approve the same and authorize the carrying out of its provisions.

IN WITNESS WHEREOF, the parties hereto have by their respective officers thereunto duly authorized caused these presents to be duly executed the day and year first hereinabove written.

PACIFIC GAS AND ELECTRIC COMPANY

By L. HAROLD ANDERSON  
Vice President and Assistant  
General Manager

By RAYMOND KINDIG  
Secretary

SELLER

CALIFORNIA WATER SERVICE COMPANY

By RALPH ELSMAN  
President

By E. C. ELLIOT, JR.  
Secretary

BUYER

EXHIBIT B

THIS AGREEMENT, made by and between  
PACIFIC GAS AND ELECTRIC COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of California, hereinafter called the "Seller", the party of the first part, and CALIFORNIA WATER SERVICE COMPANY, a corporation also duly organized and existing under and by virtue of the laws of the State of California, hereinafter called the "Buyer", the party of the second part, WITNESSETH that WHEREAS the Seller has by deed bearing even date herewith conveyed to the Buyer the Seller's municipal water distribution system in the City of Oroville, State of California, and territory adjacent thereto, together with the reservoirs from which said system is supplied with water and the Powers Canal of the Seller, by means of which canal the Seller supplies water not only to said City of Oroville and territory adjacent thereto but also to certain of its other consumers for irrigation and other uses, including the Thermalito Irrigation District, to which the Seller sells water at wholesale under a certain agreement bearing date the 25th day of April, 1923, the execution of which was authorized by the Railroad Commission of the State of California by its Decision No. 11,887 made and filed on the 4th day of April, 1923; and

WHEREAS the Seller and said Thermalito Irrigation District also entered into a written agreement bearing date the 29th day of March, 1923, whereby the Seller is obligated, among other things, to transport certain stored waters belonging to the said Irrigation District through the Seller's Miocene Canal from

the point of delivery of such waters specified in said agreement to the reservoir of the said Irrigation District below the Seller's Coal Canyon Power House, which Miocene Canal, as that term is employed in said agreement, includes said Powers Canal; and

WHEREAS the Seller is also supplying water for irrigation and domestic purposes to eight (8) consumers owning land adjacent to or in the vicinity of its Miocene Canal above said Coal Canyon Power House, a list of which consumers, together with their present approximate requirements during the irrigation season, is set forth upon the sheet which is hereunto annexed, marked Exhibit "A" and made a part hereof, and which the Seller hereby represents to be a full and complete list of all such consumers together with their approximate requirements:

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that, for and in consideration of the premises and of the mutual promises and covenants of the parties hereto herein contained, IT IS MUTUALLY AGREED by and between the parties hereto as follows, to-wit:

1. The Buyer will, and it does hereby, assume all of the obligations imposed upon the Seller by law or contract to supply water for municipal, domestic, irrigation and all other uses which is now furnished by means of the aforesaid water properties this day conveyed by the Seller to the Buyer as hereinbefore recited, including the obligation of the Seller to deliver water to said Thermalito Irrigation District in accordance with the terms of the aforesaid agreement bearing date the 25th day of April, 1923.

2. The conveyance this day made by the Seller to the Buyer of said Powers Canal shall be subject

and subordinate to the rights of said Thermalito Irrigation District existing under and by virtue of its aforesaid agreement with the Seller bearing date the 29th day of March, 1923, and said Thermalito Irrigation District shall continue to have, exercise and enjoy all of the rights to which it is entitled in and to said Powers Canal with the same force and effect as if the Seller continued to be the owner of said Powers Canal, and the Buyer will well and truly observe, carry out and perform all and singular the promises and covenants of the Seller contained in said agreement in so far as the same relate to the transporting of water of the said Irrigation District through the Powers Canal (which is included in said agreement under the term "Miocene Canal").

3. The Seller will, during the calendar year 1927, divert sufficient waters flowing in the West Branch of the North Fork of the Feather River into its Miocene Canal at its Miocene diversion dam located in Section 30, Township 23 North, Range 4 East, M. D. B. & M., to meet the demands of all of its consumers now supplied with water from said Powers Canal, including the said City of Oroville and the inhabitants of said city and territory adjacent thereto, up to, but not exceeding, the maximum amount of water which shall be available for diversion from said West Branch, pursuant to the water right which the Seller, as owner of said Miocene Canal and said water right, owns to divert the waters of said West Branch by means of said Miocene Canal; and the Seller will deliver to the Buyer, free of charge, during the calendar year 1927, at the head of said Powers Canal at or near said Coal Canyon Power

House, all of the water which shall be so diverted from said West Branch into said Miocene Canal, less such amount thereof as may be lost due to seepage, evaporation or other canal losses and less such amount of water as may be required to supply the demands of the Seller's consumers adjacent to or in the vicinity of its Miocene Canal above said Coal Canyon Power House, as set forth in said Exhibit "A".

4. The Seller and the Buyer will, during the calendar year 1927, make accurate measurements and keep full, true and complete records of the amount of all water diverted from the West Branch of the North Fork of the Feather River into said Miocene Canal and of all of the uses to which such water shall be put and the respective amounts devoted to such uses along or in the vicinity of said Miocene Canal and said Powers Canal and in said City of Oroville and territory adjacent thereto during said calendar year 1927. The Seller shall have the right during said calendar year 1927 to control the deliveries of water sold for irrigation purposes from said Powers Canal in the same manner and to the same extent that it has heretofore exercised such right.

5. As soon as practicable after the expiration of the calendar year 1927 the parties hereto shall execute in triplicate a statement showing in detail the amount of all waters flowing in said Miocene Canal and of all waters flowing into said Powers Canal at the head thereof and of all the uses to which such waters were put and the respective amounts devoted to such uses during the calendar year 1927, as shown by the records kept by the parties hereto as hereinbefore provided, and shall include in said statement a schedule of the monthly water deliveries reasonably necessary at the head of said Powers Canal to enable the Buyer to meet the obligations hereby assumed by it to

supply water as set forth upon the sheet which is hereunto annexed, marked Exhibit "B" and made a part hereof, and which the Seller represents to be, to the best of the Seller's knowledge and belief, a full and accurate schedule of such obligations; provided, however, that if the Buyer shall make meter rates for the sale of water generally effective in said City of Oroville and territory adjacent thereto before the end of the calendar year 1927 and if during any month in 1926 the amount of water delivered into the Oroville reservoir shall exceed the amount of water delivered into said reservoir during the corresponding month of 1927, then the amount of water so delivered during said month in 1926 shall be substituted for the amount so delivered during the corresponding month in 1927. Such schedule shall be based upon the actual amounts of water delivered hereunder during the calendar year 1927, as shown by said statement, and also the amounts of water required to furnish the water consumers shown upon said Exhibit "B" with the amounts of water which they are legally entitled to receive from said Powers Canal, and also to furnish any other consumers who now have a legally established right to receive water from said Powers Canal with the respective amounts to which they are legally entitled. One of such statements shall be delivered to the Seller, one to the Buyer and the third shall be filed with and submitted to the Railroad Commission of the State of California for its approval, as provided in and by Decision No. 18101 made and filed by said Railroad Commission on the 24th day of March, 1927. The amounts of water reasonably necessary to be delivered by the Seller at the head of said Powers Canal, as shown in the aforesaid schedule, shall, except as herein otherwise provided, thereafter be the maximum amounts which the Seller shall be obligated to

deliver to the Buyer hereunder at the head of said Powers Canal, limited by the amount of water naturally flowing in the West Branch of the North Fork of the Feather River at said Miocene head dam and available for diversion, pursuant to the Seller's water right, as owner of said Miocene Canal, as hereinafter set forth. It is the intent of the parties hereto that the Seller shall deliver to the Buyer hereunder sufficient water to enable it to fulfill the obligations which it has herein assumed, up to the amount of water which shall be available therefor pursuant to the Seller's said water right, as owner of said Miocene Canal, as herein provided, and that the aforesaid schedule will correctly show the amounts of water which will be required to be delivered to the Buyer hereunder at the head of said Powers Canal in order to enable it to fulfill its said obligations, so long as the canal losses in said Powers Canal will be no greater than they will be during the calendar year 1927. Therefore nothing herein contained shall be deemed to relieve the Seller from its obligation to deliver to the Buyer at the head of said Powers Canal sufficient water to enable it to fulfill its said obligations up to the amount of water which shall be available therefor pursuant to the Seller's aforesaid water right, so long as the canal losses in said Powers Canal will be no greater than they will be during the calendar year 1927. If the amount of such canal losses shall increase after the calendar year 1927 the Buyer shall bear all such losses.

6. The Seller will, commencing upon the 1st day of January, 1928, and continuing thereafter until the 1st day of May, 1952, deliver to the Buyer, free of charge, at the said head of said Powers Canal an amount of water sufficient to meet the demands which shall be made upon the Buyer by its said water consumers for municipal, domestic and

irrigation uses up to, but not exceeding, the respective amounts which shall be specified in the schedule to be included in the statement to be prepared and executed by the parties hereto as hereinbefore specified, except as herein otherwise provided, except during such times as the amount of water naturally flowing in the West Branch of the North Fork of the Feather River at said Miocene head dam and available for diversion from said West Branch pursuant to the water right which the Seller, as owner of said Miocene Canal and said water right, owns to divert the waters of said West Branch by means of said Miocene Canal, shall be less than the quantity of water so diverted into said Miocene Canal during the corresponding period of the calendar year 1927, and during such times as such natural flow available for diversion as hereinbefore specified shall be less than the quantity of water so diverted into said Miocene Canal during the corresponding period of the calendar year 1927, the Seller will divert into said Miocene Canal at said Miocene head dam all of the water which shall be available for diversion pursuant to said water right of the Seller exercised by means of said Miocene Canal and will deliver the same to the Buyer at the head of said Powers Canal, less such amount thereof as may be lost due to evaporation, seepage or other canal losses and less such amount of water as may be required to supply the demands of the Seller's consumers adjacent to or in the vicinity of its Miocene Canal above said Coal Canyon Power House, as set forth in said Exhibit "A".

7. From and after the 1st day of May, 1952, the Seller will divert the waters of the West

Branch of the North Fork of the Feather River into its said Miocene Canal and will deliver the same to the Buyer at the head of said Powers Canal in the same quantities and upon the same terms and conditions as are specified in the next preceding paragraph of this agreement except that the Buyer will pay the Seller therefor such price as may from time to time be established therefor by the Railroad Commission of the State of California.

8. The Seller will use all reasonable efforts to prevent any increase in ditch losses occurring in the Miocene Canal over and above the existing ditch losses therein and the Buyer will use all reasonable efforts to prevent any increase in ditch losses occurring in the Powers Canal over and above the existing ditch losses therein and in the other conduits owned or operated by it, and in order to effectuate that purpose the parties hereto will maintain their respective canals and other conduits in good operating condition.

9. The Seller shall exercise reasonable care and diligence to deliver to the Buyer the amount of water which the Buyer shall be entitled to receive hereunder, but, nevertheless, shall not be liable to the Buyer or to any of the customers of the Buyer for any loss or damage which may be suffered, sustained or incurred by it or them, or any of them, for or on account of insufficiency of water available for delivery to the Buyer hereunder or for or on account of interruptions or delays in delivering any such water hereunder, if any such insufficiency, interruption or delay shall be caused by inevitable accident, act of God, fire, strikes, riots, war or any other act or thing beyond the reasonable power of control of the Seller.

10. The Seller, whenever it shall find it necessary for the purpose of making repairs upon or im-

1  
provements in its water system from which water shall be delivered to the Buyer hereunder, shall have the right to suspend temporarily the delivery of water hereunder but in all such cases as reasonable notice thereof as circumstances will permit will be given to the Buyer and the making of such repairs or improvements will be prosecuted as rapidly as may be practicable and, if practicable, at such times as will cause the least inconvenience to the Buyer.

11. The Seller makes no representations as to, and assumes no responsibility for, the quality or potability of the water to be delivered hereunder and assumes no obligation to purify or filter the same in the event that the same shall be required by law or by order of the State Board of Health or other competent authority.

12. The Buyer, in so far as it may be legally permitted so to do, will continue in effect the present rules and policy of the Seller in conserving water and eliminating waste, especially during the months of August and September.

13. The Seller, in so far as it may legally do so, will not enlarge its obligations to furnish water from its Miocene Canal above said Coal Canyon Power House unless and until required by law or order of the Railroad Commission or other competent authority.

14. This agreement shall inure to the benefit of and shall bind the respective successors and assigns of the parties hereto.

15. Time shall be of the essence of this agreement.

16. This agreement is executed pursuant to the authority in that behalf granted by the Railroad Commission of the State of California in and by its Decision

No. 18037 made and filed on the 2nd day of March, 1927, and its Decisions Nos. 18101 and 18102 made and filed on the 24th day of March, 1927.

IN WITNESS WHEREOF, on this 19th day of April, 1927, the parties hereto have executed these presents in duplicate.

(CORPORATE SEAL)

PACIFIC GAS AND ELECTRIC COMPANY

By F. A. LEACH, JR.  
Its Vice-President and  
General Manager,

And by D. H. FOOTE,  
Its Secretary.

(CORPORATE SEAL)

CALIFORNIA WATER SERVICE COMPANY

By C. B. JACKSON  
Vice-President

And by E. B. WALTHALL  
Its Secretary.

Approved as to form:

S. H. SUSMAN,  
Attorney.

EXHIBIT "A"

LIST OF WATER CONSUMERS ON MIOCENE CANAL  
ABOVE COAL CANYON POWER HOUSE

<u>Name</u>	<u>Measurement</u>	<u>Approximate Annual Use</u>
R. A. Agar	Estimated	1,000 Miners Inch Days
G. W. Taylor	"	1,200 " " "
C. W. Baker	2" Pipe	125 " " "
A. Baker	Wier	45 " " "
J. W. Cooper	"	684 " " "
G. B. Voorhies	"	3,000 " " "
A. C. Radon	"	160 " " "
Kate Robinson	"	269 " " "

6-1-17

## EXHIBIT "B"

LIST OF WATER CONSUMERS SUPPLIED FROM POWERS CANAL

<u>Customers Served</u>	<u>Nature of Service</u>	<u>Maximum Contract Demand (cfs)</u>
Thermalito Irrigation Dist.	Resale	9.1
Berkeley Olive Ass'n.	Irrigation	3.0
R. W. Campbell	"	1.0
Rancho Golden Grove	"	1.3
Cole-Williams-Johnson & Openshaw	"	.5
W. E. Cole	"	.1
L. W. Hartman	"	.1
J. Jones	"	.1
Roy Crum	-	.02
John Retson	-	.02
Emmet Byrnes	-	.02
Chas. Mellon	Dom. & Irr.	1" Pipe
T. Francis	"	2" Pipe
-- Botjer	"	2" Pipe
Thompson Flat Cemetery	"	2" Pipe
Hewey Turner	"	2" Pipe
Table Mt. Irr. Dist.	Resale	Excess water only
Distribution System } City of Oroville }	Dom. & Municipal	-